

Section 1. St. Louis county; county parking facilities. Notwithstanding the provisions of Subdivision 6 of Section 1 of Laws 1963, Chapter 163, the provisions of Subdivisions 1 to 5 inclusive, of Section 1, of said Chapter 163, apply to St. Louis county.

Sec. 2. This act shall become effective upon approval by the board of county commissioners of the county of St. Louis and upon compliance with Minnesota Statutes, Section 645.021.

Approved March 23, 1965.

CHAPTER 113—S. F. No. 54

An act relating to the investment of retirement and highway funds; amending Minnesota Statutes 1961, Section 161.04, Subdivision 2, as amended; Section 162.16, as amended; and Section 352.06, Subdivision 12, as amended, and Subdivisions 13 and 15.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Section 161.04, Subdivision 2, as amended by Laws 1963, Chapter 567, Section 4, is amended to read:

Subd. 2. Highway and retirement funds; investment of the trunk highway fund. Upon the request of the commissioner, moneys in the trunk highway fund shall be invested by the state board of investment in bonds, certificates of indebtedness and other fixed income securities except preferred stocks which are legal investments for the permanent school fund *and, to the extent of 15 percent of the book value of the fund, in such prime quality commercial paper as is eligible for investment in the state employees retirement fund, as provided for in section 352.06, subdivision 15, as the same now exists or may be hereafter amended.* All interest and profits from such investments shall be credited to the trunk highway fund. The state treasurer shall be the custodian of all securities purchased under the provisions of this section.

Sec. 2. Minnesota Statutes 1961, Section 162.16, as amended by Laws 1963, Chapter 567, Section 5, is amended to read:

162.16 Investment of money in county state-aid highway fund or municipal state-aid street fund. Upon the request of the commissioner, money in the county state-aid highway fund and money

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in the municipal state-aid street fund shall be invested by the state board of investment in bonds, certificates of indebtedness and other fixed income securities except preferred stocks which are legal investments for the permanent school fund *and, to the extent of 15 percent of the book value of the fund, in such prime quality commercial paper as is eligible for investment in the state employees retirement fund, as provided for in section 352.06, subdivision 15, as the same now exists or may be hereafter amended.* All interest and profits from the investments shall be credited to the fund on which the interest or profits are earned. The state treasurer shall be the custodian of all securities purchased under the provisions of this section.

Sec. 3. Minnesota Statutes 1961, Section 352.06, Subdivision 12, as amended by Laws 1963, Chapter 160, Section 1, is amended to read:

Subd. 12. **Corporate obligations.** Bonds, notes, debentures, equipment obligations, or any other type of absolute obligation of any corporation organized and operating within any of the 50 states of the United States or in Canada, provided that obligations of Canadian corporations shall be payable in United States dollars, are legal investments for the purposes of this section; provided, however, that no bonds, notes, debentures, or equipment obligations may be purchased of any corporation with assets of less than ten million dollars; ~~nor shall~~. The book value of the outstanding capital stock of such corporation ~~at the time of such investment be equal to less than 50 percent of its total funded debt, not including finance corporations, at the time of such investment shall not be less than 50 percent of its total funded debt, except in the instance of a corporation owned by another corporation or other corporations, one or more of which meet this requirement and which guarantee the payment of the debt securities of the subsidiary corporation. In the case of a finance corporation, the owning parent company shall meet the above requirement, or, if such finance corporation be independent, the book value of the outstanding capital stock of such corporation at the time of such investment shall not be less than 25 percent of its total funded debt.~~ For a period of five fiscal years next preceding the date of such investment, the net pretax earnings of such corporation, ~~or of one or more corporations guaranteeing the debt,~~ shall have been each year not less than 1.5 times the annual interest charges on its total funded debt applicable to that period, and for such period the gross operating revenues of any such corporation shall have averaged per year not less than one million dollars; ~~provided that~~ The investment in such securities shall not exceed 50 percent of the total assets of the fund at any time.

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All such corporate bond investments shall be rated among the top ~~three quality groups~~ *by a nationally recognized rating agency third of the quality categories, not applicable to defaulted bonds, used by a nationally recognized rating agency for rating the quality of the same.*

Sec. 4. Minnesota Statutes 1961, Section 352.06, Subdivision 13, is amended to read:

Subd. 13. **Corporate stocks.** Preferred or common stocks of any corporation organized and operating within the United States are legal investments for the purposes of this section. The aggregate of common and preferred stock investments may not exceed ~~25~~ *30* percent of the total assets of the fund at any time. Furthermore, the board may invest no more than five percent of the assets of the fund in common or preferred stocks in any one year, the intent of this provision being that the fund may not attain a position of ~~25~~ *30* percent in stocks within a period of less than ~~five~~ *six* years *from April 14, 1961*. No more than one percent of the assets of the fund may be invested in the stock of any one corporation and at no time shall the fund together with other Minnesota public retirement funds own more than five percent of the voting stock of any one corporation. All such percentages shall be computed on the basis of the cost price of such stock at the time of investment.

No investment shall be made in the common or preferred stock of any corporation with assets of less than ten million dollars.

No investment shall be made in the preferred stock of any corporation unless the latter shall have had earnings available for the payment of interest and preferred dividends equal, on the average, for the last five years, to at least 1½ times the aggregate of interest and preferred dividend requirements. No investment shall be made in a common stock unless the latter shall have paid cash dividends for at least five years immediately prior to purchase nor unless the aggregate earnings of such corporation available for payment of dividends on the common stock during the last five years has been at least equal to the aggregate of such cash dividends.

Sec. 5. Minnesota Statutes 1961, Section 352.06, Subdivision 15, is amended to read:

Subd. 15. **Commercial paper.** ~~Prime quality~~ *Commercial paper of prime quality, as defined by a nationally recognized organization which rates such securities,* issued by any corporation organized and operating within any of the 50 states of the United States, provided:

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- (a) That all such securities mature in 270 days or less;
- (b) That the issuing corporation, or parent company in the case of paper issued by finance subsidiaries, show a ratio of current assets to current liabilities, *including that portion of long-term debt maturing within one year, plus long term debt*; of at least 1 ½ to 1;
- (c) That the net income of the issuing corporation, or parent company, average one million dollars or greater annually for the past five years;
- (d) That the commercial paper shall, at no time, constitute more than five percent of the book value of the investments in any one fund; and
- (e) That the commercial paper of any one corporation shall not constitute more than two percent of the book value of the investments in the fund, are legal investments for the purposes of this section.

Approved March 23, 1965.

CHAPTER 114—S. F. No. 225

An act relating to the department of military affairs; correcting certain obsolete statutory language in relation thereto; amending Minnesota Statutes 1961, Section 192.49, Subdivision 1, as amended; 192.51, Subdivision 2; and 193.29, Subdivision 1.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1961, Section 192.49, Subdivision 1, as amended by Laws 1963, Chapter 658, Section 17, is amended to read:

192.49 **Military affairs; correction bill; pay and allowances of officers and organizations.** Subdivision 1. **Officers.** Every commissioned officer of the military forces shall receive from the state, while engaged in any service ordered by the governor, pay and allowances at the rate now or hereafter paid or allowed by law to officers of similar rank and length of service in the ~~regular army~~ *armed forces* of the United States.

Sec. 2. Minnesota Statutes 1961, Section 192.51, Subdivision 2, is amended to read:

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